

Amendment No. 1 to HB1362

Keisling
Signature of Sponsor

AMEND Senate Bill No. 475*

House Bill No. 1362

by deleting from SECTION 6 the language "licensee's approved house rules" wherever it may appear and substituting "licensee's approved house rules or internal controls", and by adding the following new, appropriately designated subdivisions to SECTION 6:

() "Gross handle" means the total amount of gross wagers less cancelled or voided wagers received by the licensee over a specified period of time;

() "Gross wager":

(A) Means all cash and promotional wagers received by licensees from bettors as wagers; and

(B) Includes all wagers placed with cash, cash equivalents, promotional items, and all other media by which a bettor is allowed to place a wager;

() "Promotional payout" means a payout by a licensee to a bettor in a form that cannot be immediately withdrawn by the bettor as cash;

() "Promotional wager" means a wager placed by a licensee using a bonus or other non-cash item;

AND FURTHER AMEND by deleting subsection (d) from SECTION 31 and substituting:

(d) An applicant for registration as a vendor shall pay a registration fee:

(1) For the first three-year period of registration, if the registration is approved, of one hundred fifty thousand dollars (\$150,000); and

(2) For a second or subsequent period of registration, a registration fee in an amount prescribed by rule and adjusted as necessary to ensure that the council is fiscally self-sufficient.

AND FURTHER AMEND by inserting the following new sections immediately preceding the last section and renumbering the last section accordingly:

SECTION 34. Tennessee Code Annotated, Section 4-49-102(1), is amended by deleting the subdivision.

SECTION 35. Tennessee Code Annotated, Section 4-49-104(a), is amended by deleting the second sentence of the subsection and substituting:

Notwithstanding another state law to the contrary, a licensee shall only pay a privilege tax on its gross handle in accordance with this section.

SECTION 36. Tennessee Code Annotated, Section 4-49-104(b), is amended by deleting the subsection and substituting:

There is imposed upon the gross handle of a licensee a privilege tax of one and eighty-five one hundredths percent (1.85%).

SECTION 37. Tennessee Code Annotated, Section 4-49-104(c), is amended by deleting the subsection and substituting instead the following:

The tax imposed under this section must be paid monthly by a licensee based on its gross handle for the immediately preceding calendar month, in accordance with rules promulgated by the council. A licensee may deduct from its gross handle the amount of federal excise tax paid each month, in accordance with rules promulgated by the council. A licensee shall not deduct from the gross handle winning payouts to bettors or promotional wagers or payouts. The council shall promulgate rules to specify the method by which a licensee must account for adjustments to the gross handle for wagers that are cancelled or voided and repeal all rules related to the privilege tax on adjusted gross income.

SECTION 38. Tennessee Code Annotated, Section 4-49-104(d), is amended by deleting the language "a vendor" and substituting "an outside contractor".

SECTION 39. Tennessee Code Annotated, Section 4-49-116, is amended by deleting the section.

SECTION 40. Tennessee Code Annotated, Section 4-49-102, is amended by deleting subdivision (17).

SECTION 41. Tennessee Code Annotated, Section 4-49-124(a), is amended by deleting the subsection.

SECTION 42. Tennessee Code Annotated, Section 4-49-117(b), is amended by deleting subdivisions (b)(10) and (11) and substituting:

(10) An initial license fee to process the application and for the first year of licensure, if the application is approved, of seven hundred fifty thousand dollars (\$750,000);

(11) For a second or subsequent year of licensure, a license fee in the following amounts:

(A) Seven hundred and fifty thousand dollars (\$750,000) for operators with total wagers in a calendar year equal to or exceeding five hundred million dollars (\$500,000,000);

(B) Five hundred thousand dollars (\$500,000) for operators with total wagers in a calendar year less than five hundred million dollars (\$500,000,000) and greater than one hundred million dollars (\$100,000,000); and

(C) Two hundred and fifty thousand dollars (\$250,000) for operators with total wagers in a calendar year of one hundred million dollars (\$100,000,000) or less; and

(12) Any additional information required by the council by rule.